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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Bulgaria	REPORT NO.	25X1
SUBJECT	The Avtomotor Repair Shop and Spare Parts Factory in Varna 25X1	DATE DISTR.	26 February 1954
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1. The Avtomotor Workshop is located at No. 1 Voynishka Street in Varna. It is run on a cooperative basis and engages in the repair of motor vehicles and the manufacture of simple spare parts.

2. The directive personnel is as follows:

25X1 a. Nikola Raychew, director

25X1 b. Kalio Kalev, bookkeeper

25X1 c. Sapundzhiev (fmu), accountant

d. Grisha (lmu), price fixer; and

e. Unidentified norm setter.

The remainder of the staff consists of eight artisans and 18 workers and apprentices.

3. The workshop is equipped with the following:

a. Four lathes of Bulgarian manufacture, "Vagriyanka" type;

b. Two drills of Bulgarian manufacture, "Partam" type;

c. Two welding machines of Bulgarian manufacture;

d. One spring lathe;

e. One Siemens dynamo; and

g. Two pulleys.

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25X1

-2-

4. Work hours are as follows:

- a. Weekdays 7:00 a.m. to 12:00 noon and 2:00 p.m. to 5:30 p.m.; and
- b. Saturday 7:00 a.m. to 1:00 p.m.

5. Wages are as follows:

- a. Artisans, 22 leva per day;
- b. Workers, 16-18 leva per day; and
- c. Apprentices, 9-14 leva per day.

6. All manual work is done on the norm system. The supervisor allots specific tasks to individual workers and specifies the time at which the work must be completed. If a worker fails to complete his task within the specified time, his wages are reduced accordingly, but bonuses are not paid if the work is completed ahead of schedule. The norms fixed by the supervisor of the Avtomotor Cooperative were such that the workers did not have sufficient time to do the work right and the quality of the products was therefore very poor.

7. Another factor in the difficulty of work at the cooperative was the shortage of power in Varna. During daylight hours, only State enterprises have a regular supply of electricity; all other businesses suffer from frequent power cuts. In June 1953, the Avtomotor Cooperative was without power for 18 consecutive days and all work came to a standstill.

8. In order to become an employee of the Avtomotor Cooperative, it is necessary to first become a member by investing capital in the firm. The minimum investment required is 200 leva. If a man is unable to pay in this amount, he is enrolled as a member when he starts work and deductions are made from his salary until the 200 leva has accrued.

9. In theory, an employee's salary is dependent upon the amount of capital which he has invested in the cooperative. Thus, when the cooperative was first formed, the employees invested as much money as they could afford so that they might receive larger returns. Then, when they discovered that they received no returns on their investments, they attempted to withdraw their money. They were not allowed to do this, but were informed that their investments would be returned if they should ever leave the cooperative. This, also, was not true.

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10. All members of the cooperative realize that their investments are lost, first because its business is not progressing satisfactorily and, second, because State taxes are very heavy on small business and thus take away what small profits the enterprise manages to make.

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25X1

-3-

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11. In addition to their regular wages, cooperative members are paid annual bonuses. These amounted to 70 percent of the profits in 1951. Artisans received 70,000-80,000 leva (old currency) and the other manual laborers received 30,000-35,000 leva (old currency). In the same year, the cooperative purchased two lathes and one generator. In 1952, when the cooperative bought no new machinery, the bonus was fixed at 13 percent of the profits for the year. The artisans receive approximately 500 leva (new currency) and the other manual workers received about 300 leva. No reasons were given for the drastic reduction in bonuses.
12. The Avtomotor Cooperative is regularly visited by officials whose task is to see that the quality of work is maintained and improved. None of the officials have any mechanical knowledge and so their visits are purely formal. Since this job is a sinecure, it is held by members of the Communist Party.
13. It was known to all the workmen of the cooperative that Nikola Raychev, the director, was regularly tipped by the cooperative farm so that their (sic) motor vehicle (sic) might receive priority. Nothing could be done about this because Raychev is a Party member.

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